# BUDGET DEEP-DIVE INTO THE FOSTER CARE SYSTEM

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ISSUE BRIEF

## SUMMARY

This brief describes the landscape of the foster care system in Utah and discusses revenues, expenditures, and other budget-related issues. For the purposes of the brief, the term "foster care system" encompasses all out-of-home services provided by the Division of Child and Family Services (DCFS), within the Department of Human Services (DHS), to children and their families. Options for legislative action are provided in the next section, followed by the full discussion and analysis.

## LEGISLATIVE ACTION

Based on the analysis provided in this brief, the Legislative Fiscal Analyst (LFA) recommends the Legislature consider the following actions. The Legislature may wish to request that DCFS submit a report to LFA describing the progress of these items during the next General Session or the 2018 Interim.

1. Request that DCFS improve data tracking in the following areas, in order to better assess system adequacy at matching children in custody with foster families and to more precisely target recruitment and retention efforts:
    a. Identify and document the level of assessed need for each child in custody, even though actual placement may vary based on the needs of siblings in custody, geography, family availability, and other factors, as well as the actual placement and reasons for deviation; and
    b. Identify and document the level of care that each foster family is qualified for, whether they are kinship or not, and whether they are available to take a placement, in a way that can be easily searched and compared to the assessed needs of children in custody.

    *DCFS Response: "We agree with this recommendation. Although we currently have an assessment tool that informs a child's needs and level-of-care (UFACET), this score is one of many factors that are considered in determining an appropriate level of placement. Our current data system records the UFACET placement score, but after other placement factors have been considered, it does not record the final placement decision or the reason for deviation. This information is documented in narrative form in each child's case activity log. We agree, an enhancement to our system is necessary to capture the final recommended level-of-care and reasons for deviation from the UFACET. Enhancements to our placement module are in our project queue for SAFE [which is DCFS' data system, also known as the Statewide Automated Child Welfare Information System]."*

2. Request that DCFS evaluate the proctor care system, including:
    a. Determine whether private proctor care is cost-effective; and
    b. Determine the extent to which children in custody are placed in proctor care due only to insufficient availability of lower level foster families.

*DCFS Response: "Agree. The implementation of recommendation number one, improving the data elements captured by our placement module in SAFE, will allow DCFS to more accurately evaluate the proctor care system. Once this is in place, we can more effectively evaluate whether proctor care is cost effective, if the right children are being placed in proctor, and more precisely identify gaps in levels-of-care."*

3. Request that DCFS take the following actions related to Utah Foster Care (UFC):
    a. Consider whether to increase the recruitment and retention targets, given that recruitment targets were lowered in the past but UFC has consistently exceeded them and that the target appears lower than the average rate of families exiting the system; and
    b. Compare the employee compensation and overhead costs of UFC to those of DCFS and consider whether contracting for recruitment and retention services is cost-effective.

    *DCFS Response: "We agree this is something that deserves review. We will meet with UFC to negotiate a new minimum recruitment target that better matches our current need. We also agree that a comparison and assessment of UFC to determine the most cost-effective way to procure foster care recruitment and retention services is in order. We will plan on reporting back with our findings."*

    *UFC Response: "The average rate of families exiting the system includes licensed "kinship" providers of which UFC does not recruit. For accurate numbers for comparison, the Office of Licensing would need to identify and separate which families who exit annually are foster families and which are kinship families. In addition to the new recruited and graduated families, UFC also trains and retains on average 872 families each year who renew their licenses and continue to provide foster care services. Utah Foster Care annually provides news stories through television, radio, print advertising and social media. This constant community awareness campaign over many years has resulted in measureable outcomes. The visibility and high regard for foster parents has become much more positive. This constant outreach has also increased the visibility of DCFS/DHS as Utah has become a role model for the nation for best foster care practices and quality foster parents. UFC also supports a Development department (not paid for by contracted funds) that brings in $300,000 to $400,000 each year to assist the state in caring for the needs of children in foster care. The "quality" of foster parents in Utah has increased significantly because UFC prescreens every inquiring family during an in-home initial consultation before inviting them to begin the training process of becoming a foster parent."*

4. Request that DCFS provide the following information related to their federal Social Security Title IV-E waiver, which is used to provide in-home services:
    a. Provide their detailed budget plan for service continuity and maintaining the emphasis on in-home care when the waiver expires; and
    b. Identify and project trends in eligibility among children in custody and describe their budget plan for managing the resulting budgetary impacts.

    *DCFS Response:*

    *"<u>Waiver Status.</u> Implementation is in process, with three of five regions meeting basic competency in direct casework practice components. Trauma training continues until November 2017. In-home service array development continues, with two new parenting contracts in effect, and active*

*collaboration with the substance use disorder system progressing at the state level (and to follow at the local level). The waiver is authorized until September 30, 2018; DCFS plans to apply for a one-year extension.*

*Plan for Waiver End. DCFS has planned for HomeWorks [the program supported by the waiver] sustainability from the start of the waiver. Caseworker practice components are part of new employee training and ongoing practice. Service contracts were funded at a basic level by repurposing other Federal grant funds, which allows for continuation. Additional IV-E waiver funds will end, which reduces capacity for flexible services and in-home supports at the family level.*

*Eligibility Trends and Budget Impact. Title IV-E eligibility for children in custody historically fluctuates 2-3% annually. However, the percentage dropped by about 6% in FY16 and stayed about the same in FY17. Due to a recent Federal policy change, we expect the eligibility percentage to slowly decline over the next few years. Under the waiver capped allocation, eligibility fluctuation does not affect overall Title IV-E funding for foster care. After the waiver ends, a reduction in IV-E eligibility will result in a reduction of Federal foster care administration and maintenance funds."*

LFA anticipates that these recommendations will inform DCFS and the Legislature's ability to evaluate resource utilization, improve efficiency and cost-effectiveness, identify the most critical needs for system improvement, and prepare for federal funding changes.

## OVERVIEW AND SCOPE

This brief provides an analysis of the budget of the Utah foster care system. It focuses on the Division of Child and Family Services (DCFS), within the Department of Human Services (DHS), which is "the child, youth, and family services authority of the state" (Utah Code Annotated (UCA) 62A-4a-103); it covers associated entities as applicable, such as the non-profit organization Utah Foster Care (UFC). **For the purposes of the brief, the term "foster care system" encompasses all out-of-home services provided by DCFS to children and their families.**

***Foster Care Budget.*** In fiscal year (FY) 2016, the State spent $45.1 million on the foster care system, which represented 27 percent of DCFS' total budget. More information about other division services -- such as child protective investigations, in-home services, and adoption assistance -- is provided by DCFS in their annual report.

***Foster Care Definition and Types.*** According to the DCFS website, "foster care is a program for children in state custody who are unable to remain safely in their homes." Services are ordered by severity of need and include:

- Foster families - Levels I, II, III
- Proctor care - Level IV
- Residential services - Levels V, VI, and individualized residential treatment services (IRTS)
- Institutional care at a psychiatric or acute care hospital - Level VII

Additional detail on each service type is provided later in this brief. In some cases, DCFS does not accrue expenditures for children in state custody. First, children who are served at the Utah State Hospital (Level VII), which is also part of DHS, are paid for by Local Mental Health Authorities with Medicaid funding. Further, the division uses kinship placements when possible. These family members can choose to become licensed as foster providers and receive the associated payments and other supports; if they remain unlicensed, they can still access Medicaid coverage for the child. Unlicensed kin may apply for a Specified Relative Grant from the Department of Workforce Services or receive support from private entities.[1] Lastly, some children in state custody run away, and therefore no costs accrue to DCFS for foster care services during the period when they cannot be located.

***In-Home v. Out-Of-Home Services.*** DCFS aims to keep children in their homes to the extent that it is safe to do so and has worked to provide more in-home services, such as through the federal Social Security Act Title IV-E HomeWorks program waiver. This brief will not address the appropriateness of rates of in-home versus out-of-home care.

***State Custody.*** There are two ways that a child may be placed in DCFS custody: 1) as a result of a juvenile court order finding of **abuse, neglect, dependency, or delinquency**, or 2) through a family-initiated 90-day maximum voluntary placement. House Bill 239, "Juvenile Justice Amendments" (2017 General Session) provided that a juvenile court can no longer newly commit children to DCFS custody for delinquency alone, effective August 1, 2017. Children remain in DCFS custody until:

1. They are reunified with their families;
2. They are adopted or find another permanent placement;
3. They reach the age of majority, which is generally after they turn 18 and graduate from high school, although custody may be maintained until 21 in some circumstances; or
4. They reach the age of majority and are assigned a guardian to make legal decisions, if they have a significant intellectual disability. If an appropriate guardian cannot be identified, the State may provide a public guardian.

## Discussion and Analysis

This section addresses the following questions:

1. Who is served by the foster care system?
2. Why is there a foster care system and what is it intended to accomplish?
3. How is the foster care system organized?
4. How do we pay for the foster care system?
5. What are we buying with the foster care system?
6. Is the foster care system meeting the needs of children and families in the State?

[1] In the 2014 General Session, the Legislature provided funding to non-profit entities including $600,000 to the Grandfamilies program ($200,000 per year, FY 2015 to FY 2017), $150,000 to Hyrum Support Center (FY 2015), and $104,000 to Garland Community Support Center (FY 2015), for support programs to informal and unlicensed kinship caregivers.

### *1. Who is served by the foster care system?*

Foster care is out-of-home services for children in state custody and their families. At any point in time during FY 2016, about 2,700 children were in care. The number of individual children served in FY 2016 totaled 4,666. Figure 1 shows the number of children that received a certain type of service at some point during a fiscal year. Because there is placement instability -- children moving in and out of different kinds of services -- the total served by level of care is much higher than the unduplicated number of individuals.

**Children Who Received Foster Care Services During a State Fiscal Year**

| | | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| Unduplicated Individuals Served in Any Level of Care | | | | | | |
| | | **4,549** | **4,693** | **4,638** | **4,727** | **4,666** |
| Duplicated Individuals Served in Each Level of Care | | | | | | |
| Individualized Residential Treatment | IRTS | 300 | 327 | 335 | 312 | 290 |
| Foster | Level I | 3,020 | 3,231 | 3,116 | 3,304 | 3,334 |
| Foster | Level II | 526 | 496 | 567 | 587 | 566 |
| Foster | Level III | 389 | 408 | 427 | 405 | 383 |
| Proctor | Level IV | 937 | 919 | 871 | 856 | 781 |
| Group Homes | Level V | 1,264 | 1,157 | 1,205 | 1,225 | 1,305 |
| Residential Treatment | Level VI | 571 | 563 | 513 | 502 | 440 |
| *Out-of-Home Subtotal* | | *7,007* | *7,101* | *7,034* | *7,191* | *7,099* |
| State Hospital | Level VII | 160 | 171 | 176 | 218 | 209 |
| Unlicensed Kin, Runaway | Other | 275 | 272 | 246 | 276 | 232 |
| *Non-DCFS Subtotal* | | *435* | *443* | *422* | *494* | *441* |
| **TOTAL** | | **7,442** | **7,544** | **7,456** | **7,685** | **7,540** |

**Figure 1. Unduplicated and Duplicated Children in DCFS State Custody**
*Source: DCFS*

**Service Needs by DCFS Region**

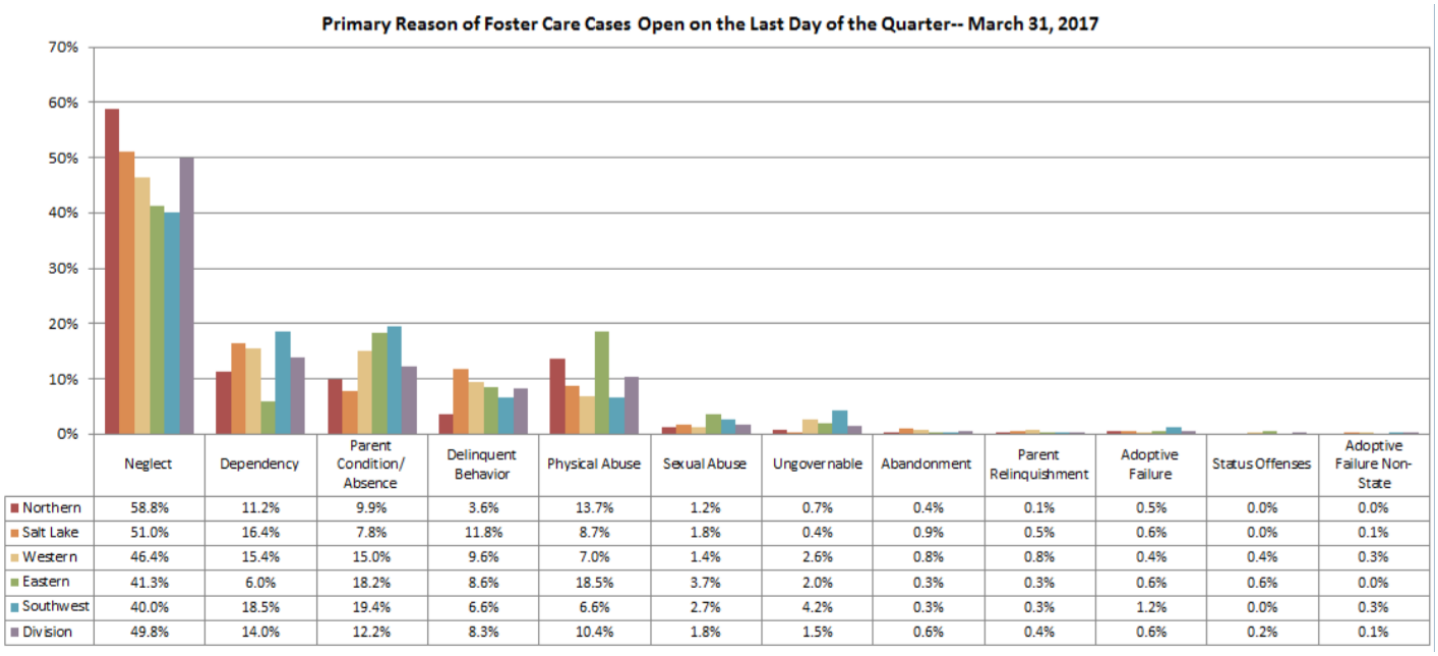
| DCFS Region | Number of Children under 18 | % of Total | Number of Children in Foster Care | % of Total | Total Maltreatment, Direct Court, Other Source Referrals | % of Total | Avg. % |
|---|---|---|---|---|---|---|---|
| Salt Lake | 343,098 | 36% | 815 | 30% | 4,206 | 39% | **35%** |
| Northern | 246,345 | 26% | 660 | 25% | 2,905 | 27% | **26%** |
| Southwest | 85,213 | 9% | 306 | 11% | 1,061 | 10% | **10%** |
| Western | 235,280 | 25% | 613 | 23% | 1,778 | 16% | **21%** |
| Eastern | 35,933 | 4% | 296 | 11% | 830 | 8% | **8%** |
| Total | 945,869 | 100% | 2,690 | 100% | 10,780 | 100% | **100%** |

**Figure 2. Service Needs by DCFS Region FY 2016**
*Source: LFA Issue Brief: "Managing the $173 Million DCFS Budget," 2016 Interim; data provided by DCFS*

***Geographic distribution.*** Figure 2 shows the number of children under 18 and the number of children in foster care in each of the DCFS regions. It also provides a composite assessment of need comprised of: 1) maltreatment incidents by region; 2) direct court-ordered custody placements by region; and 3) children referred to DCFS from other sources. Both the Southwestern and Eastern regions have high numbers of

children in foster care compared to their populations; the Western region has high numbers of children in foster care compared to the composite need measure.

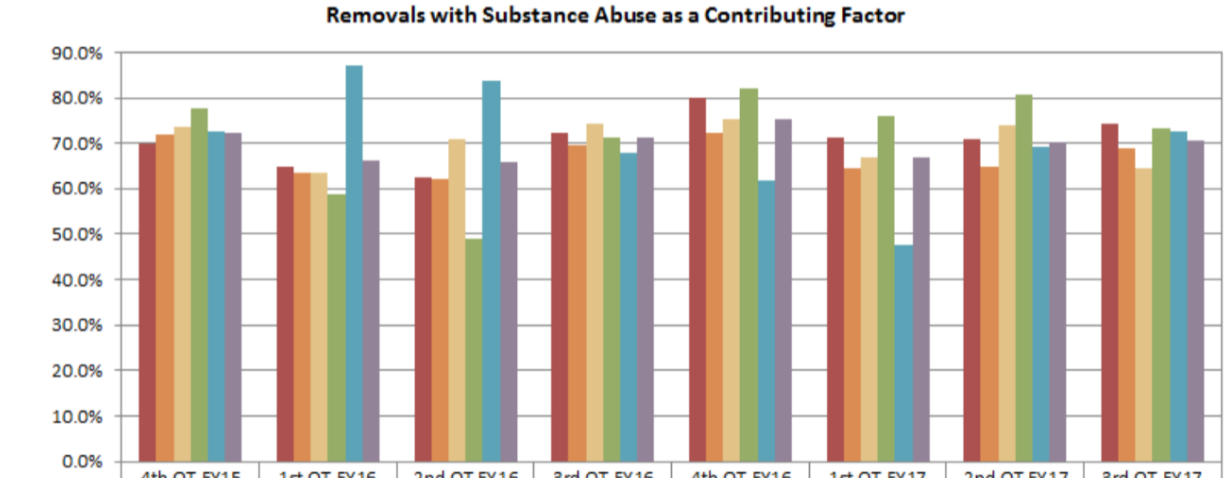
***Reason for state custody.*** Figure 3 shows the primary reason that children were ordered into state custody by the court, across regions. Neglect is the by far the most common reason, followed by dependency, which is defined as a child lacking necessary care or supervision from a parent or other guardian.




| | Neglect | Dependency | Parent Condition/ Absence | Delinquent Behavior | Physical Abuse | Sexual Abuse | Ungovernable | Abandonment | Parent Relinquishment | Adoptive Failure | Status Offenses | Adoptive Failure Non-State |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Northern | 58.8% | 11.2% | 9.9% | 3.6% | 13.7% | 1.2% | 0.7% | 0.4% | 0.1% | 0.5% | 0.0% | 0.0% |
| Salt Lake | 51.0% | 16.4% | 7.8% | 11.8% | 8.7% | 1.8% | 0.4% | 0.9% | 0.5% | 0.6% | 0.0% | 0.1% |
| Western | 46.4% | 15.4% | 15.0% | 9.6% | 7.0% | 1.4% | 2.6% | 0.8% | 0.8% | 0.4% | 0.4% | 0.3% |
| Eastern | 41.3% | 6.0% | 18.2% | 8.6% | 18.5% | 3.7% | 2.0% | 0.3% | 0.3% | 0.6% | 0.6% | 0.0% |
| Southwest | 40.0% | 18.5% | 19.4% | 6.6% | 6.6% | 2.7% | 4.2% | 0.3% | 0.3% | 1.2% | 0.0% | 0.3% |
| Division | 49.8% | 14.0% | 12.2% | 8.3% | 10.4% | 1.8% | 1.5% | 0.6% | 0.4% | 0.6% | 0.2% | 0.1% |

**Figure 3. Primary Reason for State Custody - Open Cases on March 31, 2017**

*Source: DCFS Quarterly Report, FY 2017 Quarter 3*



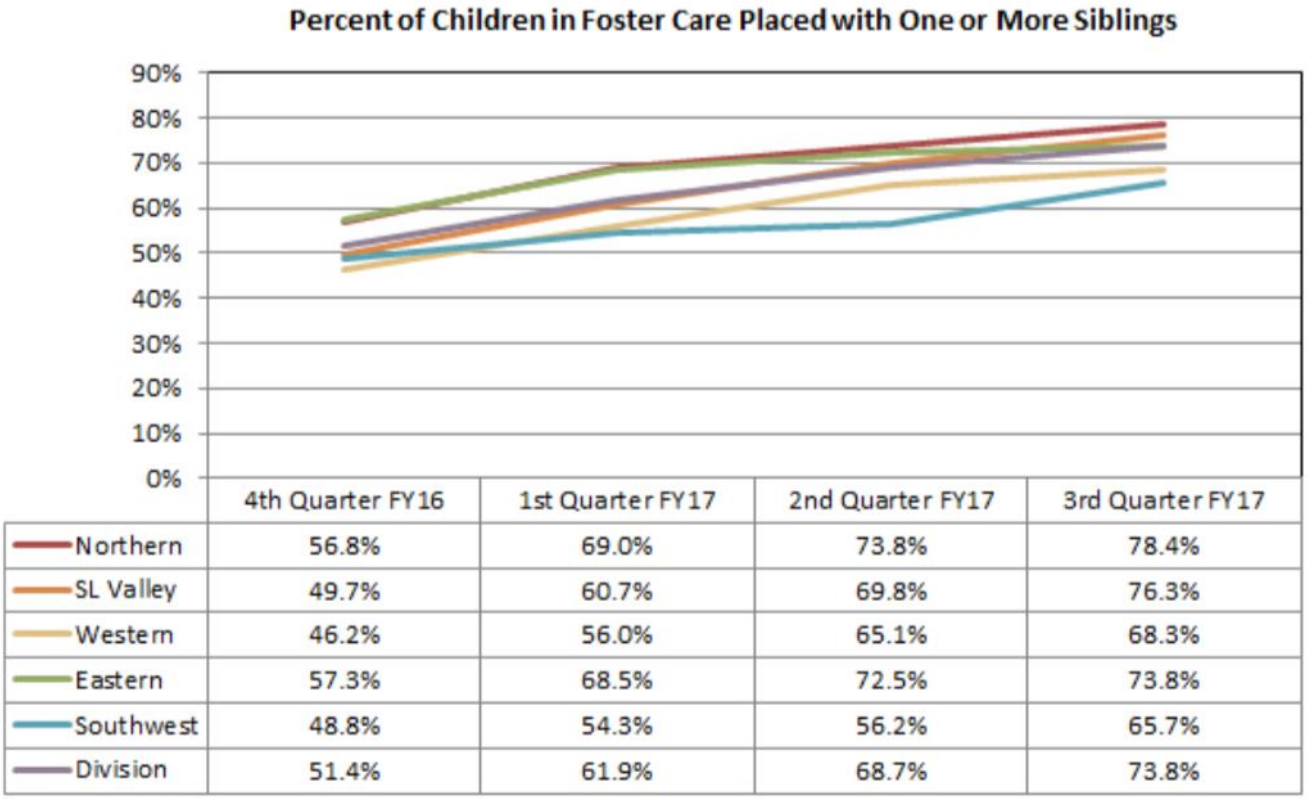

| | 4th QT FY15 | 1st QT FY16 | 2nd QT FY16 | 3rd QT FY16 | 4th QT FY16 | 1st QT FY17 | 2nd QT FY17 | 3rd QT FY17 |
|---|---|---|---|---|---|---|---|---|
| Northern | 69.9% | 64.8% | 62.4% | 72.3% | 80.1% | 71.1% | 71.1% | 74.4% |
| Salt Lake | 72.0% | 63.6% | 62.3% | 69.6% | 72.4% | 64.5% | 65.0% | 68.8% |
| Western | 73.6% | 63.3% | 71.0% | 74.2% | 75.2% | 66.9% | 73.8% | 64.6% |
| Eastern | 77.6% | 58.7% | 48.9% | 71.3% | 81.9% | 76.1% | 80.6% | 73.2% |
| Southwest | 72.7% | 87.1% | 83.6% | 68.0% | 61.8% | 47.5% | 69.2% | 72.6% |
| Division | 72.3% | 66.2% | 65.7% | 71.2% | 75.4% | 66.9% | 70.4% | 70.5% |

**Figure 4. Removals with Substance Abuse as a Contributing Factor**

*Source: DCFS Quarterly Report, FY 2017 Quarter 3*

***Contribution of substance abuse.*** In Figure 4, DCFS data show that substance abuse is a significant factor precipitating many foster care placements. Across all regions in the previous two years, 65 to 75 percent of cases were related to substance abuse.

***Sibling groups.*** Many foster children have siblings who are also in custody. DCFS aims to place sibling groups together when possible and documents whether a child has siblings in custody in its data management system. The rate of placement with siblings is shown in Figure 5.




| | 4th Quarter FY16 | 1st Quarter FY17 | 2nd Quarter FY17 | 3rd Quarter FY17 |
|---|---|---|---|---|
| Northern | 56.8% | 69.0% | 73.8% | 78.4% |
| SL Valley | 49.7% | 60.7% | 69.8% | 76.3% |
| Western | 46.2% | 56.0% | 65.1% | 68.3% |
| Eastern | 57.3% | 68.5% | 72.5% | 73.8% |
| Southwest | 48.8% | 54.3% | 56.2% | 65.7% |
| Division | 51.4% | 61.9% | 68.7% | 73.8% |

**Figure 5. Percent of Children Placed with One or More Siblings**
*Source: DCFS Quarterly Report, FY 2017 Quarter 3*

***Justice-involved children.*** Some children who become involved with the Division of Juvenile Justice Services (DJJS), also within DHS, are ordered by the court to DCFS custody. As of August 1, 2017, per H.B. 239 (2017 General Session), children can no longer be ordered to DCFS custody for delinquency. The Utah Juvenile Justice Working Group and the Pew Charitable Trusts estimated this would impact about 250 individuals annually, who often have longer stays in care than those in DJJS custody at 19 months on average. However, a child could be ordered to custody for dependency or other reasons, such as if the court determined a child needed mental health or substance abuse treatment and the parents could not provide it (children in state custody must be provided these services). DHS is working to increase the availability of in-home services to avoid these placements.

***Children with disabilities.*** Some children in DCFS custody have a disability that precipitated the court's finding of abuse, neglect, or dependency. From FY 2014 to FY 2017, the unduplicated number of children

in DCFS custody with a diagnosed disability ranged from 320 to 538 annually (equivalent to 7 to 12 percent of children in custody). Each year, about 29 children with disabilities in custody reach the age of majority, usually age 21 for this population, and transition to "host home" care (essentially foster care for adults), a group home setting, or back to their natural home. At that point DCFS no longer provides the funding; that responsibility is shifted to another DHS division, the Division of Services for People with Disabilities.

### *2. Why is there a foster care system and what is it intended to accomplish?*

The Legislature provides the authority for the foster care system and directions for its operation through statute, as documents in the following Utah Code Annotated sections:

- 62A-4a-102. Sets the division's basic duties.
- 62A-4a-103. Creates the division and designates it as "the child, youth, and family services authority of the state." This section directs the division to prioritize in-home care when safe and reasonable.
- 62A-4a-105. Lists the divisions responsibilities, including providing "substitute care for dependent, abused, neglected, and delinquent children."
- 62A-4a-107.5. Authorizes DCFS to "contract with one or more private, nonprofit organizations to recruit and train foster care parents and child welfare volunteers on a statewide or regional basis," which created the authority for the Utah Foster Care contract.

DCFS develops administrative rules to further govern and guide its responsibilities:

- R512-1-2. Describes that the division will "provide programs and services that support the strengthening of family values… protect children, youth, and families; and advocate and defend family values established by public policy and advocacy and education."
- R512-1-4. Describes the need for protective services, which relate to emergency and shelter placements.
- R512-1-6. Explains that the division has "the authority to place a child when the state has been granted custody through a court order, or when a voluntary agreement has been signed by the parents" and describes access and eligibility criteria. This rule also establishes the provision of transition to adult living services and how individuals may apply to be foster or emergency families.


**Figure 6. DCFS Regions**
*Source: Utah Foster Care*

### *3. How is the foster care system organized?*

***State authority and regional offices.*** DCFS is designated by statute as "the child, youth, and family services authority of the State." The statutory functions, however, are largely carried out by the five regional centers: Salt Lake, Northern, Southwest, Western, and Eastern. The geography of these regions is shown on the map in Figure 6. Figure 7 shows the proportion of total expenditures, not only foster care, expended by each region in FY 2016.

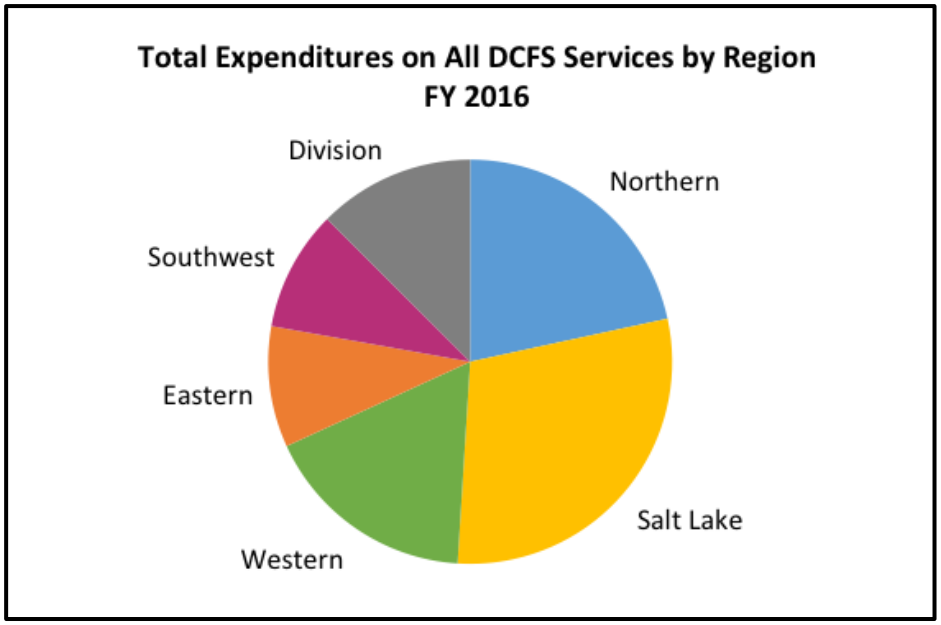



**Figure 7. Total Expenditures on All DCFS Services by Region - FY 2016**
*Source: DCFS*

***Supporting organizations.*** Multiple entities -- state, local, and private -- participate in aspects of child welfare. For foster care specifically, the following entities provide services within and beyond DCFS' designated responsibilities:

- *DHS Office of Services Review.* The office reviews how well policies are followed and outcomes are achieved in the child welfare system and reports to the Legislature annually through the Legislative Panel on Child Welfare Oversight. The Legislature established this oversight of the child welfare system following the 1993 David C. lawsuit.
- *DHS Office of Licensing.* The office issues licenses to service providers, in order to protect dependent and vulnerable Utahns.
- *DHS Office of Recovery Services.* The office is responsible for establishing child and medical support obligations and then enforcing the obligation. Enforcing these obligations supports children in state custody and may aid reunification.
- *DHS Division of Juvenile Justice Services.* DCFS sometimes utilizes DJJS contracted providers for child placements. Some children enter the human services system through DJJS, but ultimately are placed in DCFS custody.

- *DHS Division of Substance Abuse and Mental Health (DSAMH).* DSAMH oversees the local authorities that provide substance use disorder and mental health treatment to children in custody. Children needing the highest level of care are served at the Utah State Hospital.
- *DHS Division of Services for People with Disabilities (DSPD).* Children with disabilities in DCFS custody receive disability services through DSPD. Once they reach the age of majority, these children may continue to be served in the community with funding from DSPD.
- *Department of Health (DOH).* Foster children are eligible for Medicaid, to reduce the cost burden on foster families. DCFS uses its state funds to pay the state portion of Medicaid costs, DOH draws down the federal Medicaid dollars, and then DOH pays providers directly. DOH also employs nurses for the Fostering Healthy Families program, and has partnered with DCFS for the Utah Psychotropic Oversight Program for children in foster care.
- *Juvenile Courts and their Court Improvement Program.* The Juvenile Court determines the placement of a child into state custody. The Court Improvement Program provides federal funds and guidance for improving child welfare court system.
- *Guardian ad Litem and Court Appointed Special Advocates (CASA).* Children in the child welfare system are assigned a state Guardian ad Litem attorney and a CASA volunteer (to the extent a CASA is available) to support them in the court process.
- *Utah Foster Care (UFC).* UFC has a contract with DCFS to recruit, train, and retain foster families.
- *Family Support Centers.* These centers are crisis nurseries that provide short-term respite care to parents in need.
- *Grandfamilies.* Grandfamilies is a non-profit organization associated with the Children's Service Society that provides support and assistance to relatives – primarily grandparents – who are raising children.
- *Foster Families of Utah (FFoU).* FFoU is an advocacy organization that works to inform elected officials about issues surrounding foster and adoptive care. FFoU also works with community partners to support foster and adoptive children and families.

### *4. How do we pay for the foster care system?*

In FY 2016, the DCFS foster care system budget was $45.1 million, which represented 27 percent of DCFS' total budget. The system is funded from a variety of sources, which are detailed below.

**Percentage of Foster Care Revenue**
**FY 2012 - FY 2016 Average**

| | |
|---|---|
| General Fund | 83.38% |
| Federal Funds | |
| *Title XX Social Services Block Grant* | 5.10% |
| *Title IV-E* | 14.79% |
| *Title XIX Medicaid Transfers* | -9.98% |
| *ILP and PSSF Grants* | 1.60% |
| Dedicated Credits | 4.99% |
| Transfers | 0.13% |

**Figure 8. Percentage of Revenue by Source - Average FY 2012 - FY2016**
*Source: DCFS*

***State General Fund.*** The state General Fund, supported primarily by state sales tax, provides the majority of funding for the foster care system. The Legislature appropriates this funding annually. There are few restrictions on its use.

***Federal funds.*** DCFS spends about $7 million annually from federal funds to support foster care services. Funding authorization levels for FY 2018 are available in LFA's 2017 General Session federal funds issue brief and include:

- *Title IV-E.* Provides funding for 1) foster care maintenance to provide safe and stable out-of-home care for eligible children under the jurisdiction of the state child welfare agency until the children are returned home safely, placed with adoptive families, or placed in other planned arrangements for permanency; 2) training for public agency staff, foster parents, and certain private agency staff; and 3) administrative costs to manage the program.
    - An important component is the penetration rate, which is the percent of children in custody who meet the eligibility requirements for matching Title IV-E funding. Variation in the penetration rate leads to variation in the funding received by DCFS.
    - DCFS received a waiver in October 2013 to put funds toward in-home services, rather than the normal limitation of funds for out-of-home care only. The waiver is authorized until October 2018. If it is not extended, DCFS will lose current funding for in-home services. Additionally, under the waiver, the State's allocation was capped -- it did not vary with the penetration rate. However, once the waiver expires, the penetration rate will become relevant again and DCFS has seen recent declines in the penetration rate. Both these changes could impact DCFS' budget in a way that they should plan for in advance.
    - An academic review of the waiver program, called HomeWorks, was published by the University of Utah in June 2016.
- *Title XX - Social Services Block Grant (SSBG).* Provides a relatively flexible funding source that is used to support out-of-home care, crisis nurseries and shelters, and other foster care services.
- *Temporary Assistance for Needy Families (TANF).* Provides another flexible funding source, which is converted to SSBG and counted as SSBG in Figure 8.
- *Independent Living Program (ILP) Grant.* Provides funding to help prepare older youth in foster care to transition to living successfully as an adult, and includes a small percentage of funding to support youth who have left foster care up to age 21 with one-time or time-limited resources to support them in successfully living on their own.
- *Promoting Safe and Stable Families (PSSF) Grant.* Provides funding for time-limited family reunification activities.
- *Medicaid Transfers.* Children in custody are eligible for medical services through the Medicaid program. To access these services, DCFS transfers funding to the Department of Health (DOH), which draws down a 70 percent federal match, and then pays providers directly.

***Dedicated credits.*** Dedicated credits are collected from parents who can afford to contribute to their child's care while in state custody. This revenue source also reflects child support collections made by the Office of Recovery Services (ORS) for children in state custody. In certain cases, ORS and DCFS may waive child support collections if they believe it is a barrier to reunification. DCFS receives technical assistance from Casey Family Programs, which is also categorized as dedicated credits.

***Transfers.*** Transfers include funding in and out of DCFS, such as transfers to and from other DHS divisions for clients needing services from multiple divisions.

***Other revenue sources.*** The foster care system is supported by other funds that are not budgeted through DCFS, such as donations. Various private organizations raise funds to supplement the state funding they receive. Utah Foster Care, for example, reported that in FY 2016 they raised $494,700 in donations and $22,100 from event revenues and other sources.

***Budget structure.*** Foster care services are spread across several appropriation units within the single DCFS line item:

- KHE - Out of Home Services
- KHL - Special Needs
- KHH - Minor Grants
- KHG - Facility-Based Services

***New appropriations.*** Figure 9 shows the history of new appropriations for foster care. DCFS reports that during the recession, "foster care rates were reduced in FY 2010, rolling rates back to FY 2008 rates, and again in FY 2011, rolling the rates back to FY 2007 rates." During the 2017 General Session, Foster Families of Utah presented to the Social Services Appropriations Subcommittee that foster care rates, prior to the FY 2018 increase, were about equivalent to pre-recession rates. DCFS plans to distribute the FY 2018 increase of $500,000, plus federal funds as available, to codes associated with foster care Levels I, II, and III, and calculated the rate increase at 9.5 percent.

**History of General Fund Appropriations for Foster Care**

| (in millions) | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **FY02** | **FY03** | **FY04** | **FY05** | **FY06** | **FY07** | **FY08** | **FY09** | **FY10** | **FY11** | **FY12** | **FY13** | **FY14** | **FY15** | **FY16** | **FY17** | **FY18** |
| 0 | -0.4 | 0 | 0.4 | 3 | 19.3 | 0 | 0.2 | 0 | 12.5 | 5.5 | 0 | 0 | 0 | 0 | 0 | 0.5 |

Note: Information taken from Office of the Legislative Fiscal Analyst Appropriations Reports and the Governor's Office of Management and Budget Summary books.

**Figure 9. History of State Appropriations for Foster Care**

*Source: LFA Issue Brief: "Managing the $173 Million DCFS Budget," 2016 Interim; 2017 General Session budget action*

### *5. What are we buying with the foster care system?*

***Out-of-Home Services.*** The State is buying services for children in custody. **Out-of-home services include foster families, proctor care, group homes, residential treatment centers, individualized residential treatment for severe needs, and emergency placements and shelters.** Figure 10 shows the primary out-of-home services, the average daily rate per child, the total number of child-days, and the total amount paid by DCFS. The table demonstrates that some of the costliest services have relatively few units but a high rate, such as High Level Mental Health, while others have a low rate but many units, such as Level I Foster Care.

## Costliest DCFS Services by Total Paid - FY 2016

| Type | Service | Average Rate/Unit | Number of Units | Total Paid |
|---|---|---|---|---|
| Residential | Individualized Residential Training Services-Cognitively Impaired | $196.80 | 41,471 | $8,161,518 |
| Proctor | Proctor Care Multiple Clients | $49.56 | 123,008 | $6,095,748 |
| Residential | High Level Mental Health | $351.26 | 12,096 | $4,248,830 |
| Foster | Level I Foster Care | $16.07 | 249,289 | $4,005,183 |
| Residential | Moderate Level, Behavioral Disorder | $125.62 | 20,243 | $2,542,924 |
| Residential | Moderate Level Mental Health | $176.92 | 12,614 | $2,231,628 |
| Residential | High Level Sex Offender | $154.84 | 10,960 | $1,697,093 |
| Foster | Level III Foster Care | $30.59 | 49,758 | $1,521,948 |
| Foster | Level II Foster Care | $19.45 | 76,543 | $1,488,913 |
| Residential | Moderate Level Mental Health / Certified Small Group Home | $162.35 | 6,615 | $1,073,951 |
| Residential | DSPD Waiver Maintenance DCFS | $33.07 | 29,938 | $990,145 |
| Residential | Cognitive Impaired Residential Basic Care & Supervision | $23.15 | 41,032 | $949,783 |
| Residential | Community Living Residential Support Payment | $28.70 | 31,573 | $906,213 |
| Other | Mentoring | $3.31 | 259,367 | $858,505 |
| Residential | Moderate Level Sex Offender (Male) | $125.48 | 3,055 | $383,327 |
| Proctor | Independent Living Placement Services | $62.67 | 6,028 | $377,775 |
| Proctor | Proctor Care Single Client | $57.19 | 4,486 | $256,564 |
| Residential | Individual High Cost Maintenance | $206.64 | 1,153 | $238,260 |
| Other | Initial Clothing Payment | $154.32 | 1,487 | $229,471 |
| Other | Day Group Skills Support Service | $1.26 | 163,995 | $206,634 |
| Residential | Individualized Out of State Placement | $414.33 | 441 | $182,720 |
| Foster | Independent Living Payment | $18.83 | 9,092 | $171,221 |
| Other | Medically Fragile Child | $10.00 | 9,523 | $95,230 |
| Residential | Absence - High Level Mental Health | $341.54 | 265 | $90,508 |
| Foster | Contracted Foster Care Level II (Proctor Home) | $22.29 | 3,347 | $74,592 |
| Residential | Absence-Indiv. Residential Treatment Services, Cog. Impaired | $194.47 | 289 | $56,201 |
| Foster | Contracted Foster Care Level I (Proctor Home) | $18.74 | 2,971 | $55,684 |
| Proctor | Absence Proctor Care Multiple Clients | $39.44 | 846 | $33,369 |
| Other | Respite Care (Basic) | $15.60 | 1,708 | $26,645 |
| Other | Respite Care (Structured) | $28.94 | 810 | $23,438 |
| Residential | Absence - Moderate Level Mental Health | $166.77 | 118 | $19,679 |
| Foster | Level I Crisis Emergency Shelter Placement | $16.08 | 1,108 | $17,817 |
| Other | Respite Care (Specialized) | $18.58 | 759 | $14,105 |
| Other | Baby of Foster Child | $15.60 | 901 | $14,056 |
| Residential | Absence - Moderate Level Behavioral Disorder | $128.91 | 94 | $12,118 |
| Other | Baby of a Foster Child, Contracted | $15.60 | 689 | $10,748 |
| Residential | Absence - Moderate Level Mental Health Small Group Home | $152.27 | 64 | $9,745 |
| Residential | Absence - High Level Sex Offender Male Age 12-16+, Female | $140.27 | 34 | $4,769 |
| Other | School Expense - Non-Tuition | $46.08 | 101 | $4,654 |
| Residential | Absence Cognitively Impaired Basic Care and Supervision | $13.39 | 303 | $4,056 |
| Foster | Level III Crisis Emergency Shelter Placement | $29.60 | 109 | $3,227 |
| Proctor | Absence Proctor Care Single Client | $47.17 | 55 | $2,594 |
| Proctor | Absence Transition to Adult Living | $52.67 | 36 | $1,896 |
| Foster | Level II Crisis Emergency Shelter Placement | $19.03 | 47 | $894 |

**Unit = per child-per day rate; Absence = rate paid when a child is temporarily absent from a placement*

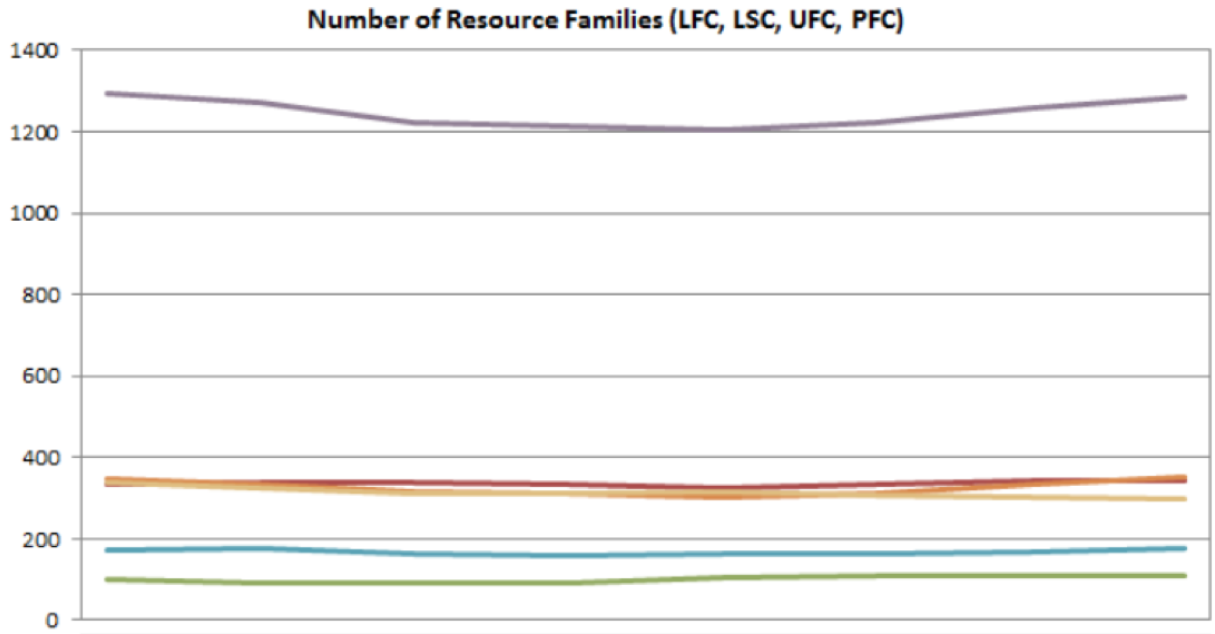
**Figure 10. Costliest DCFS Services by Total Paid - FY 2016**
*Source: Data from DHS CAPS System, with LFA calculation*

**Foster families.** Foster families (Levels I, II, II) provide home-like settings where children in state custody can reside until they are reunified with their families, are adopted or find a permanent home, or reach majority. DCFS describes the levels as follows:

- *"Level I* is family-based care that provides a safe environment with adequate standard parental supervision and care. Children in this level of care may have mild to moderate medical or mental health treatment needs and mild behavioral problems.
- *Level II* is family-based care that provides a safe environment with adequate parental supervision that may be slightly or moderately more intense than that of a child in Level I care. Children at this level may be physically disabled, developmentally delayed, medically needy or medically fragile, or have a serious emotional disorder (SED), and may require outpatient treatment services more frequently than once a week, such as day treatment and/or special education services.
- *Level III* is family-based care that provides intensive treatment services and constant supervision in a family living environment by a well-trained, experienced out-of-home care provider. Children at this level may have moderate to severe behavioral, emotional, or medical problems that can still be managed in a foster home. Level III care is for children who are unable to be successful in placements with a lower level of services and supervision. Children in Level III care have behaviors, medical concerns, or other needs that may generally be improved by working with skilled, experienced out-of-home care providers that have completed advanced training through UFC, and have demonstrated skills in working with the child's challenges. A Level III placement is a safe intervention phase to help stabilize and improve the behavior of a child while teaching skills to help them form healthy relationships and achieve goals congruent with their age and developmental level."

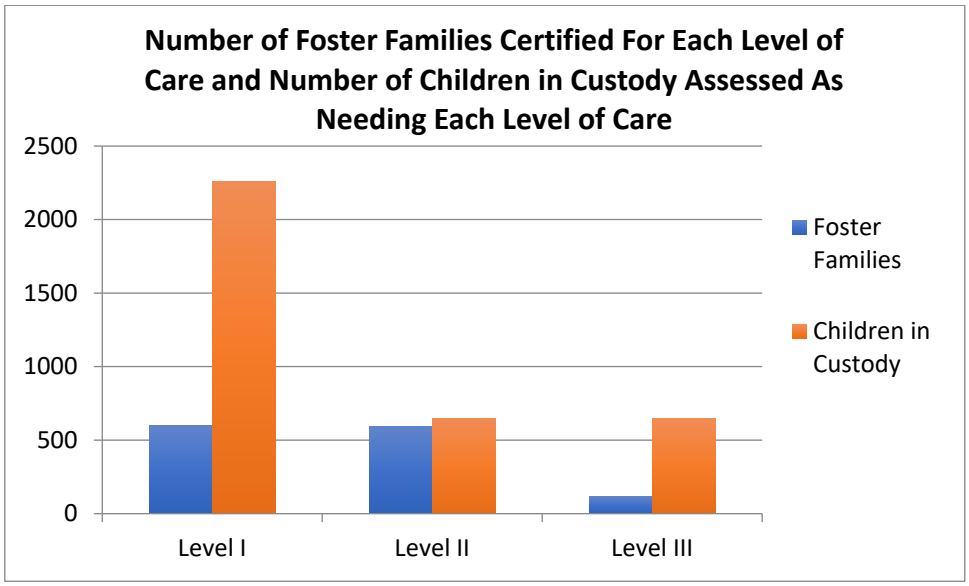
Foster families are paid a per child-per day rate. Children also receive Medicaid services and families may be reimbursed for other needs, such as transportation, clothing, activity fees, and holiday gifts. Daily rates range from $15.60 to $30.95, depending on the age of the child and the needed level of care. A 2013 report supported by the Annie E. Casey Foundation stated that Utah's daily foster care rates provided between 56 and 60 percent of the cost of caring for a child, depending on age. For a complete list of rates, see Appendix A.

Figure 11 shows the total number of licensed foster families by region at a given point in time (including Ute and Paiute licenses and kinship licenses for a specific child). The division reports that they do not have enough foster families. However, the division also reports that while they are able to pull data on what levels of care families are certified to provide and which families are not considered active, these numbers include duplicates that cannot be easily parsed (duplicated numbers are shown in Figure 12). LFA suggests that the ability to analyze family availability by various characteristics is essential to assessing system adequacy.




| | 6/30/2015 | 9/30/2015 | 12/31/2015 | 3/31/2016 | 6/30/2016 | 9/30/2016 | 12/31/2016 | 3/31/2017 |
|---|---|---|---|---|---|---|---|---|
| Northern | 334 | 340 | 337 | 334 | 324 | 334 | 343 | 345 |
| Salt Lake | 348 | 335 | 318 | 310 | 301 | 313 | 335 | 354 |
| Western | 339 | 326 | 313 | 313 | 314 | 305 | 303 | 300 |
| Eastern | 99 | 93 | 92 | 94 | 104 | 109 | 110 | 112 |
| Southwest | 174 | 178 | 164 | 160 | 162 | 163 | 166 | 175 |
| Division | 1294 | 1272 | 1224 | 1211 | 1205 | 1224 | 1257 | 1287 |

**Figure 11. Number of Resource Families.**
*Source: DCFS Quarterly Report, FY 2017 Quarter 3*




Notes: This figure does not account for children in sibling groups that could be placed together or that families can accept more than one child. The foster families count is duplicated, as families are certified for multiple levels of care. The figure shows the assessed needs of children, not accounting for other factors, like siblings with different needs.

**Figure 12. Foster Families and Children in Custody by Level of Care**
*Source: DCFS*

Additionally, DCFS says that they "are not able to pull data that tells whether a child is placed in a level-of-care that differs from their needs." DCFS' SAFE database records a child's initial UFACET score that identifies the needed level of care. Given the complicating factors of siblings, geography, family availability, and so forth, a child may be placed in a different level of care than the initial UFACET score indicated, but the actual placement and reasons for deviation are only recorded in a narrative section of the child's file. The ability to determine and analyze the extent to which placements differ from UFACET scores and the reasons for deviation would significantly inform the division's needs for families.

LFA recommends that DCFS work to improve the tracking and accessibility of data related to family characteristics, child needs, and actual placements. This information could improve the use of fiscal resources in multiple ways, including:

1. Lower levels of care, when appropriate, are less expensive (and generally provide better outcomes for the child);
2. The extent to which more expensive proctor care is used when foster families are not available could be assessed and addressed; and
3. Targeting recruitment and retention efforts to the most-needed families, by level of care, geography, or other characteristics would focus UFC resources and reduce waste from recruiting and training families that may not be needed.

**Proctor care.** DCFS describes proctor care (Level IV) as "family based care through a private licensed child-placing agency. The private agency generally has access to highly skilled caregivers as well as a variety of wraparound services needed for the higher, more intensive needs of the child. Proctor care also includes Transition to Adult Living services in a supervised apartment setting." The proctor care system evolved in the late 1980's and early 1990's and was designed to provide clinical-level services. Additional detail is provided in Appendix B.

DCFS reports that "the daily rate includes the care and supervision of the child, the skills development of the child, the training of the caregiver, and the support of the caregiver provided by the proctor care agency. The clinical services the child receives are Medicaid compensable. These private providers must meet Office of Licensing (OL) requirements of a child placing agency. Once they have achieved status with OL as a child placing agency, they contract with DCFS to provide care for children in DCFS custody. The proctor agencies oversee and certify their own family-based foster homes. The child placing agency is then required to ensure that their certified homes meet OL requirements for foster care services and the requirements of the DCFS contract. At irregular intervals, OL completes an on-site review of a random sample of homes (minimum of 2) certified through child placing agencies to ensure they are in compliance with OL rules. The DCFS audit team also regularly audits proctor agencies to ensure compliance with DCFS contract requirements."

In Figure 10, there are two rates for Contracted Foster Care (Levels I and II). These are rates for children placed in proctor homes who do not need as high a level of service -- the rate is higher than the corresponding foster care level but less than the usual proctor rate. DCFS indicates that this can occur to keep a sibling group intact. However, because DCFS can access data about a child's initial assessed need but would require a manual process to identify deviations, it would be difficult to assess why children are

placed in this higher level of care, at greater cost, and whether the placement is due to limited availability of foster options or other reasons. The same assessment challenge would result with children placed under the standard proctor codes.

The issue of children being placed in a level of care that is higher, and therefore costlier, than needed was raised by the Office of the Legislative Auditor General (OLAG) in their 2011 performance audit of DCFS. OLAG recommended that "DCFS should proactively monitor placements and implement cost-saving changes. Some children and youth may be inappropriately placed in higher-cost foster care placements. As we reviewed the division's controls over high-cost placements, we identified the following problems:

1. DCFS regions are placing children with proctor providers (private companies) that are over $30 per day more expensive than placing children in lower cost, structured foster homes that meet the child's needs. There are too few parents trained to provide structured foster homes, resulting in an overdependence on private providers.
2. Permanency Utilization Reviews are not regularly reviewing all high-cost placements to ensure services meet client needs. Controls should be established that identify when children are unnecessarily placed in residential facilities and evaluate how well providers are addressing children's needs."

LFA recommends that DCFS improve data tracking, as discussed in the previous section, and undertake an analysis of the extent to which children are placed in proctor care because of limited availability of lower level foster families. Further, LFA recommends that DCFS consider the cost-effectiveness of the private proctor system, given its much higher rates.

**Group homes.** According to DCFS, group homes (Level V) "are a level of care that provides increased structure and supervision for a child when a child has displayed difficulty in a family setting such that placement with a family would not be indicated. Many of these children have suffered abuse/neglect within their own families and as a result have a great deal of trouble adjusting to a family setting. This level of service is responsive to the need for intensive, interactive, therapeutic interventions.

This level of care includes daily care and supervision of the child from rotating staff, usually with a 1:6 ratio and awake-night staff depending on the program type. The daily rate includes the care and supervision, training of staff and skills development. Clinical services are Medicaid compensable. The goal of this level of service is to help the child be successful in a family setting." Additional detail is provided in Appendix B.

**Residential treatment centers.** According to DCFS, residential treatment centers (Level VI) "require services to be responsive to the need for intensive, active, therapeutic intervention. This level-of-care includes daily care and supervision of the child from rotating staff, usually with a 1:4 ratio, however depending on the needs of the child there could be a lower staff to child ratio. This level of care requires awake night staff to ensure the safety of the child. The daily rate includes the care and supervision of the child, training of staff and skills development. Clinical services are Medicaid compensable. The goal of this level of services may be to stabilize the child so they can return to a less intensive treatment setting or address serious and or chronic mental or behavioral health issues.

These providers must meet OL requirements for Residential Treatment Programs which require random site visits and file audits. The DCFS audit team also completes annual audits of Level V and IV residential treatment programs delivered through private providers." Additional detail is provided in Appendix B.

**Individual residential treatment for severe needs (IRTS)**. According to DCFS, "IRTS is a 24-hour individual residential program provided through a private provider and serves children with a combination of cognitive impairments or other significant physical disabilities AND severe emotional or behavioral disorders that cannot be served in the other treatment categories due to their intensive needs. Children placed in the IRTS category require a more intensive staff to client ratio from 1:1 to a maximum of 1:3 client ratio and other intensive services, which are based on the individual needs of the child. The treatment plan for a child placed in this category is highly individualized and based on the child's needs. Highly trained staff provide an intensely structured environment, general guidance, supervision, behavior management, and other rehabilitation services designed to improve the child's condition or prevent further regression so that services of this intensity can be decreased. The IRTS program has the capacity to significantly increase or decrease the intensity of services and supervision for the child, depending on their needs, without a change in placement.

These providers must meet OL requirements for Residential Treatment Programs which require random site visits and file audits. The DCFS audit team also completes annual audits of Level V and IV residential treatment programs delivered through private providers." Additional detail is provided in Appendix B.

**Emergency placements and shelters.** Children taken into state custody must often wait for a foster care placement, and so are initially placed in a temporary, emergency placement or a shelter. The Christmas Box House is an example of a shelter.

DCFS reports that the average length of stay for children in a shelter or emergency placement in FY 2016 was 16 days; the median stay was nine days. In accordance with DCFS policy, for children that stay in these placements longer than 14 days, a caseworker will make daily efforts to find a placement for the child. Measuring shelter lengths of stay is another mechanism to assess the availability of appropriate foster families. Some delay is to be expected with division processing, identifying a family, contacting the family and letting them prepare to take in a new child or children, but longer stays suggest difficult finding a placement.

***Utah Foster Care.*** Utah Foster Care (UFC), also known as the Utah Foster Care Foundation, was created in 1998 after a statutory change provided that DCFS "may contract with one or more private, nonprofit organizations to recruit and train foster care parents and child welfare volunteers on a statewide or regional basis" (UCA 62A-4a-107.5). As described in a 2002 performance audit of UFC by the Office of the Legislative Auditor General (OLAG), DCFS signed the first contract with UFC in September 1999, which officially transferred the responsibilities to recruit, train, and retain foster families.

DCFS describes the work of UFC as follows: "as specified in the contract, Utah Foster Care meets with each DCFS region on an annual basis to establish a plan and standards for recruitment, training, and retention of foster parents. Utah Foster Care is also required to meet with each region every six months to review the

plan and ensure that it still reflects the needs of the region. Changes can be made to the plan at the six-month meeting. DCFS has also stipulated a statewide foster parent recruitment goal in the contract with Utah Foster Care, which Utah Foster Care has been able to meet every year. Within the first 30 days of the fiscal year, Utah Foster Care is also required to develop performance benchmarks and measurements to increase the number of recruited, trained, and retained resource families to meet the needs identified in the region plans, as well as methods and instruments to measure those performance benchmarks. Utah Foster care is subject to audits annually by the DCFS audit team to ensure compliance with the requirements of the contract. They have been found to be in substantial compliance with their contract and any minor issues found were corrected."

UFC describes the recruitment process and numbers with averages from FY 2009 to FY 2017: "on average annually we have 2,818 initial inquiries. Of those we complete 1,156 in-home initial consultations. 717 new families then graduate from pre-service training (515 non-kinship, 202 kinship). On average annually 607 families do not renew their licenses and exit (non-kinship and kinship combined)." UFC also completes 872 training renewals each year. The closure, or exit, rate is around 50 percent.

**Utah Foster Care Foundation Contract**

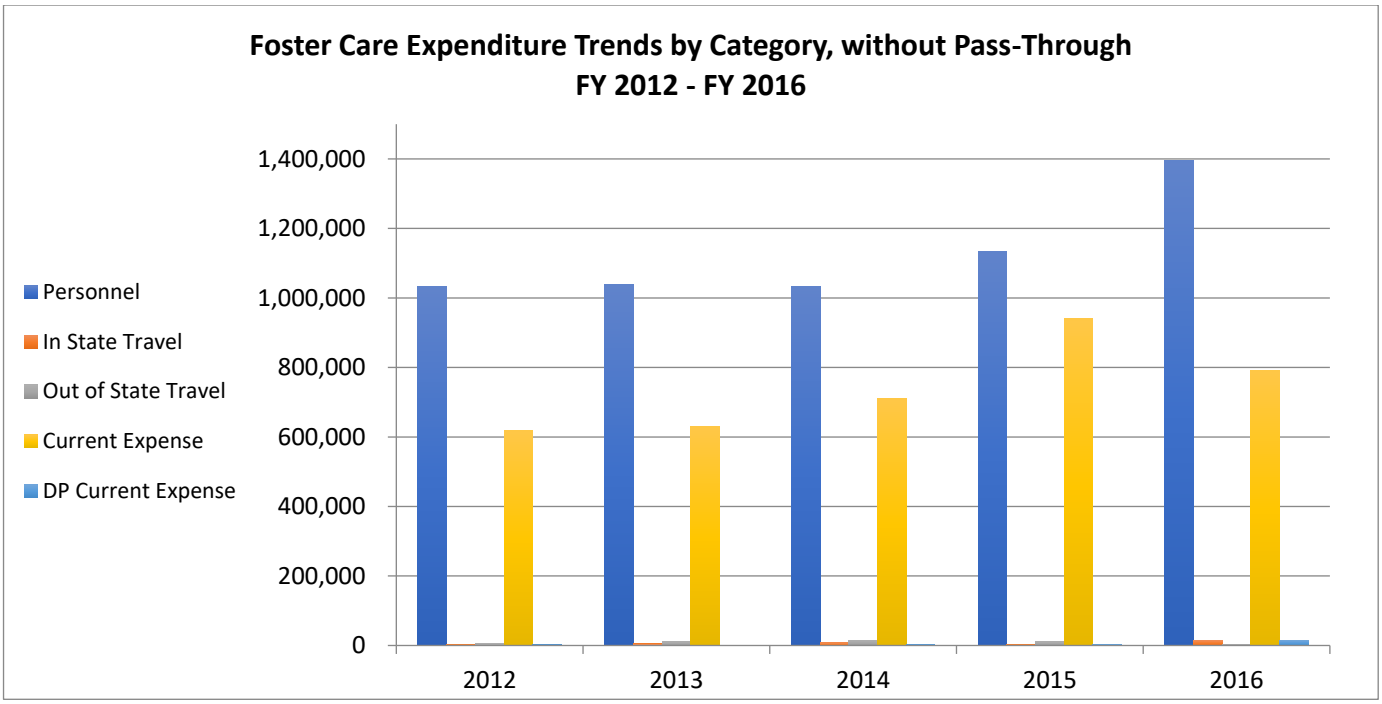
| Fiscal Year | Contract Amount | Recruitment Goal | Total Graduates | Closures (Exits) | Renewals |
|---|---|---|---|---|---|
| | | *Non-Kinship Only* | | *Kinship and Non-Kinship* | |
| 2009 | $2,901,530 | 500 | 581 | 622 | 831 |
| 2010 | $2,901,530 | 470 | 558 | 399 | 826 |
| 2011 | $2,715,977 | 450 | 517 | 521 | 876 |
| 2012 | $2,715,977 | 450 | 514 | 741 | 985 |
| 2013 | $2,715,977 | 450 | 461 | 823 | 975 |
| 2014 | $2,715,977 | 450 | 456 | 732 | 881 |
| 2015 | $2,734,976 | 450 | 502 | 672 | 884 |
| 2016 | $2,738,648 | 450 | 508 | 576 | 810 |
| 2017 | $3,138,648 | 495 | 537 | 381 | 780 |

**Figure 13. Utah Foster Care: Contract Amount, Recruitment Goal, Graduates, Closures, Renewals**
*Source: DCFS and UFC*

Figure 13 shows the contract amounts, recruitment targets, actual recruitment numbers, closures, and training renewals for UFC since 2009. Following a supplemental legislative appropriation of $400,000 ongoing effective in FY 2017, DCFS increased the recruitment target. UFC has consistently exceeded contract targets since at least 2009, both before and after the targets were lowered. DCFS reports that on average 607 families exit the system annually, which is more than the recruitment target -- although the closure numbers include kinship families, which are not part of UFC's targets. (DCFS tracks families with licenses for a specific child, but this includes kinship and other circumstances). Additionally, the number of foster homes has increased by less than 30 percent since the first contract: per data from the OLAG performance audit and DCFS, the number of foster homes was around 1,000 from 1994 to 2001 and recent numbers, although variable, have not exceeded 1,300 (as seen in Figure 11). Given that DCFS reports needing more foster families, LFA recommends re-examining the recruitment and retention targets for UFC.

Further, OLAG found in their performance audit that employee compensation and overhead, such as building costs, were higher for UFC than for DCFS. UFC reports that they conduct additional functions that should be considered as well, including community awareness efforts, private fundraising, and improving foster parent quality through pre-screening. As 15 years have passed, LFA recommends that DCFS conduct a similar analysis to the performance audit to examine the cost-effectiveness of contracting for recruitment and retention services.

***Expenditure Trends.*** Since FY 2012, foster care expenditures have declined slightly. This is primarily from a decline in pass-through expenditures, which includes payments to foster families and other providers. DCFS reports that "they have seen the average number of children in placements slightly decline when comparing FY 2012 to FY 2016. In addition, the array of services changed from higher cost placements in FY 2012 to lower cost placements in FY 2016 due to the needs of the children in care." Consistent with the decline in pass-through expenditures, DCFS' pass-through cost per client has declined from $9,800 in FY 2012 to $9,189 in FY 2016. Personnel, current expense, and data processing costs have increased over the same period, suggesting that DCFS is prioritizing work within the division. These trends are shown in the graph and tables in Figure 14.




| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|
| Personnel | 1,031,822 | 1,039,482 | 1,032,414 | 1,132,614 | 1,396,135 |
| In State Travel | 2,994 | 4,523 | 8,860 | 3,008 | 15,500 |
| Out of State Travel | 6,366 | 12,000 | 15,067 | 11,659 | 3,377 |
| Current Expense | 618,264 | 630,374 | 709,348 | 940,083 | 792,726 |
| DP Current Expense | 2,488 | 885 | 2,759 | 3,217 | 15,702 |
| Other/Pass Through | 44,580,768 | 45,659,180 | 47,585,105 | 46,348,088 | 42,878,923 |
| **Total** | **46,242,703** | **47,346,444** | **49,353,552** | **48,438,668** | **45,102,361** |

Note: $200,000 for the Grandfamilies program has been removed from current expense in FY 2015 and FY 2016.

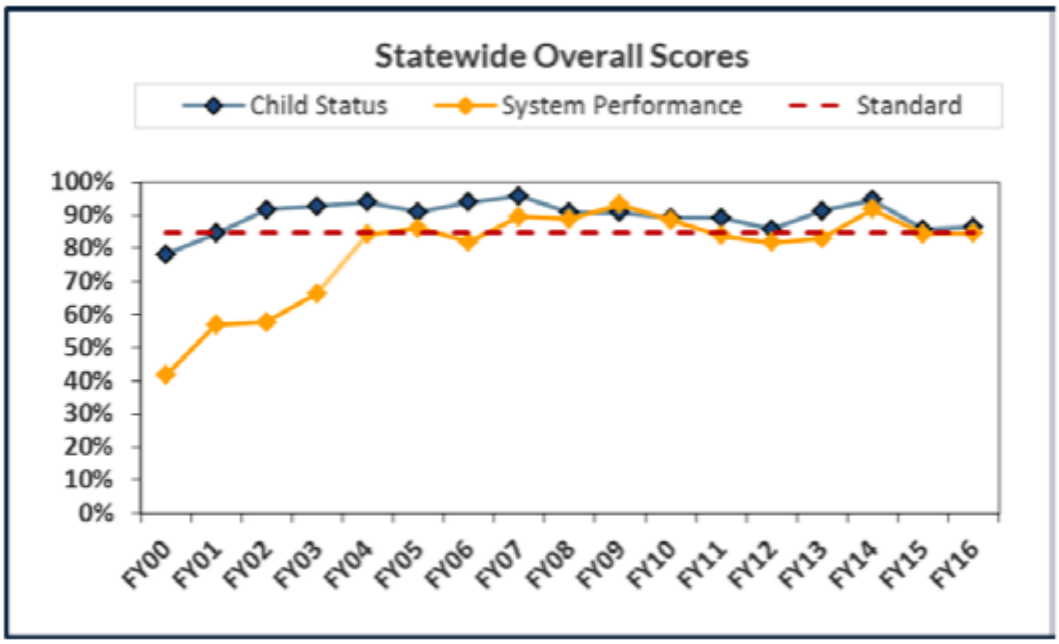
**Figure 14. Foster Care Expenditures by Category - FY 2012-FY 2016**

*Source: DCFS*

In the 2014 General Session, the Legislature provided funding to non-profit entities including $600,000 to the Grandfamilies program ($200,000 per year, FY 2015 to FY 2017), $150,000 to Hyrum Support Center (FY 2015), and $104,000 to Garland Community Support Center (FY 2015), for support programs to informal and unlicensed kinship caregivers. DCFS reported that they accounted for these expenditures in the current expense category. LFA suggests that it would be more consistent with the practices of other state agencies to categorize these expenses as pass-through.

***6. Is the foster care system meeting the needs of children and families in the State?***

***Outcome measures.*** The Office of Services Review conducts annual systematic reviews to determine whether DCFS is following policies and achieving desired outcomes. The office also develops reports for each region. Detailed scores since FY 2012 and overall scores since FY 2000 are shown in Figure 15 below. Although scores are somewhat variable over time, in general they have improved over time and are meeting the standard of 85 percent.




| System Performance | FY12 | FY13 | FY14 | FY15 | FY16 |
|---|---|---|---|---|---|
| Teaming | 70% | 66% | 76% | 74% | **58%** |
| Assessment | 78% | 77% | 78% | 80% | **79%** |
| Long-term View | 68% | 61% | 72% | 66% | **69%** |
| Child & Family Plan | 67% | 70% | 82% | 72% | **66%** |
| Intervention Adequacy | 82% | 82% | 89% | 85% | **83%** |
| Tracking & Adaptation | 90% | 85% | 91% | 87% | **88%** |
| Engagement | 89% | 90% | 90% | 88% | **86%** |
| **Overall Score** | **82%** | **83%** | **92%** | 84% | **85%** |

| Child Status | FY12 | FY13 | FY14 | FY15 | FY16 |
|---|---|---|---|---|---|
| Safety | 91% | 95% | 97% | 89% | **90%** |
| Stability | 76% | 77% | 81% | 82% | **77%** |
| Prospect for Permanence | 65% | 58% | 68% | 68% | **70%** |
| Health/Physical Well-being | 97% | 99% | 99% | 98% | **98%** |
| Emotional/Behavioral Well-being | 83% | 89% | 93% | 91% | **88%** |
| Learning | 89% | 91% | 92% | 93% | **91%** |
| Family Connections | 83% | 86% | 87% | 83% | **91%** |
| Satisfaction | 92% | 87% | 91% | 84% | **85%** |
| **Overall Score** | **86%** | **91%** | 95% | 86% | **87%** |

**Figure 15. Office of Services Review (OSR), Systematic Review of DCFS 2016**
*Source: OSR*

***Challenges.*** DCFS describes their main challenge to meeting the needs of children and families as having sufficient numbers of foster families. "There are many challenges to recruitment. One of the most significant challenges reported by foster families is the burden of paying for the cost of child care. Many families inquiring to become licensed have two parents that are currently employed, and the DCFS reimbursement rate to foster parents is not sufficient to pay for both the needs of the child and child care. We have also identified an increase in families not who do not complete the licensing process. To address this, we are currently conducting an assessment to identify areas that can be streamlined or simplified in order to support families in completing the foster care licensing process. Foster family retention challenges include the increase in children coming into care with more intensive needs; caseworker turnover; and families adopting children from foster care and choosing not to continue foster parenting. Nationally, this is an issue that all states are struggling with, and there are ongoing, significant conversations occurring on how to improve both recruitment and retention of foster parents."

***Future trends.*** The future demands on the foster care system include: 1) a growing population in the State; 2) substance use disorders, including the opioid epidemic; 3) increasing acuity of children's needs; 4) economic downturns; and 5) the availability of community services and supports. Policy changes with H.B. 239 (2017 General Session) will also likely impact the foster care population; it should decrease the number of children in DCFS custody but the actual outcomes are not yet known.

DCFS plans to continue its emphasis on in-home services, which would reduce the number of children in care. Additionally, they are working to develop a "Therapeutic Foster Care Program, an evidence-informed program. We anticipate some children who would typically be in residential are able to be served in a family setting through higher levels of support. Providers are trained in specific interventions and have a focus on supporting and promoting progress towards successful reunification. Implementing this evidence-informed approach will require collaboration and partnership with Medicaid."

While these factors contribute to the difficulty in predicting future numbers of children in custody, it will be important for DCFS to improve data gathering and analysis, track trends, and formulate contingency plans, in order to maintain a sound fiscal position and to provide support for future funding requests.

***Appendix A.*** Foster Care System Rates

**Foster Care Rates - FY 2017**

| | |
|---|---|
| Absence - TAL Supervised Apt. Like Setting | $54.67 |
| Absence - Low Lv. Cert'd Sm Group Home-BD (reactivated Jan 2017) | $0.00 |
| Absence - Mod. Level Behavioral Disorder | up to 119.99 |
| Absence - High Level Behavioral Disorder | up to 150.00 |
| Absence - Low Lv. Cert'd Sm Group Home-SD | $0.00 |
| Absence - High/Mod Lvl. Substance Dependent | up to $136.00 |
| Absence - Individualized Residential Care and Supervision | 0-5 $11.42 6-11 $12.42 12+ $13.42 |
| Absent Rate for high level individual high cost maintenance | 291.00 AS OF 01JAN17 |
| Absence - Proctor Care One Client | $49.17 |
| Absence - Residential Treatment-Cognitive | up to $281.40 |
| Absence - Low Lvl Cert'd Sm Group Home-MH | up to 150.00 |
| Absence - Mod Level Mental Health | up to 164.00 |
| Absence - High Level Mental Health | up to 340.00 |
| Absence - Proctor Care Multiple Clients | $41.57 |
| Absence - Low Lvl Cert'd Sm Group Home-SO | up to $99.75 |
| Absence - Mod. Level Male Sex Offenders | up to 110.00 |
| Absence - High/Mod Lvl. Substance Dependent | up to 138.00 |
| Baby of Foster Child | $15.60 |
| Baby of Foster Child - Contracted | $15.60 |
| Level I Crisis Emergency Shelter | 0-5 $15.60 6-11 $16.60 |
| Level II Crisis Emergency Shelter | 0-5 $18.60 6-11 $19.60 |
| Level III Crisis Emergency Shelter | 0-5 $28.95 6-11 $29.95 |
| Contracted High Level Transportation Payment | K $2.00 |
| Contracted Transportation Payment | K $0.38 |
| Independent Living Placement Services | $64.67 |
| Moderate Level Behavioral Certified Model | $0.00 |
| Moderate Level Behavioral Disorder | up to $157.27 |
| High Level Behavioral Disorder | up to 160.00 |
| Moderate Level Substance Dpdnt Certified Model | $0.00 |
| High/Mod. Level Substance Dependent | up to $146.00 |
| Day Group Skills Support Services | Q $1.26 |
| Day Group Support and Transportation | D $85.00 |
| Individualized Residential Care and Supervision | 0-5 $21.42 6-11 $22.42 12+ $23.42 |
| Proctor Care Single Client | $59.17 |
| Individual Residential Trtmnt - Cognitively Imp | up to $281.40 |
| Mod. Lvl Mental Health Cert Model, Small GH | up to $162.27 |
| Mod. Level Mental Health | up to 174.00 |
| High Level Mental Health | up to 350.27 |
| Proctor Care Multiple Clients (up to 3) | $51.57 |
| Moderate Level. Sex Offender Male Certified | up to $110.02 |
| Mod. Lvl. Male Sex Offenders | up to $125.27 |
| High Lv. Male/Female & Mod Lv. Female Sex Offenders | up to 148.00 |

| | |
|---|---|
| Level I Foster Care | 0-5 $15.60 6-11 $16.60 12+ $17.60 |
| Level II Foster Care | 0-5 $18.60 6-11 $19.60 12+ $20.60 |
| Level III Foster Care | 0-5 $28.95 6-11 $29.95 12+ $30.95 |
| Individual High Cost Maintenance | M $6544.85 D $301.00 AS OF 01JAN17 |
| Family Preservation Flex Fund (IV-B,2) | N $2,000 |
| Reunification Services, Title IV-B, 2 | N $2,000 |
| Mileage - FC Case Activities | $0.38 |
| Mileage - FC Transportation to School of Origin | $0.38 |
| Mileage - Foster Care General | D $8.70 K $0.38 T $999.99 M $999.99 |
| Mileage - FC Child Visitation | $0.38 |
| Community Living Residential Support Payment | H $100.70 D $320.00 |
| High Level Inpatient Treatment | D $1225.00 |
| Initial Clothing Payment | N $163.00 |
| Intensive Day Treatment and Transportation | D $160.00 |
| Independent Living | D $17.60 N $545.60 |
| Joyous Season Payment | 0-5 $50.00 6-11 $60.00 12+ $65.00 |
| Medical Co-Pay Reimbursement | N $100.00 |
| Medically Fragile Child | $10.00 |
| Out-of-State Specialized Placement | D $352.00 S $150.00 |
| Level I Foster Care in Proctor Home | 0-5 $18.60 6-11 $19.60 12+ $20.60 |
| Level II Foster Care in Proctor Home | 0-5 $21.65 6-11 $22.65 12+ $23.65 |
| Peer Parenting Contract Payment | S up to $33.00 |
| Contracted Transportation Payment - Peer Parent | K $0.38 |
| Basic Respite | $15.60 |
| Specialized Respite | $18.60 |
| Structured Respite | $28.95 |
| Subsidized Adoption - Supplemental Costs | N $5,000 |
| Shelter Services Daily Rate | $71.00 |
| Shelter Group Home (Boys) | D $147.15 |
| Shelter Group Home (Girls) | D $152.75 |
| Youth Special Independent Living Payment | N $1000.00 |
| Special Needs - Baby | N $200.00 |
| Special Needs - Clothing | N $200.00 |
| Psychological & Other Evals-Parent | H $55.40 N $1,455.00 S $151.05 |
| Special Needs - Gift | N $200.00 |
| Special Needs - Lessons | N $200.00 |
| Special Needs - Miscellaneous | N $5,000 |
| Special Needs - Recreation | N $200.00 |
| School Expense - Non-tuition | N $75.00 S $4,300 |
| Transitional Living Payment (Out of Care) | N $2,000 |
| Transitional Living Room & Board (Out of Care) | N $2,000 |
| DSPD Waiver (MR.RC) Maintenance | 0-5 $31.20 6-11 $32.20 12+ $33.20 |
| Intensive Supervision | Q $3.31 |

Note: Rates are per client-per day

***Appendix B.*** Child Needs Detail for Levels IV, V, VI, and IRTS

**Proctor care (Level IV).** The behaviors that would qualify a child for this level of care may include:

1. Difficulty following directions
2. Frequent arguments with caretakers, siblings, teachers
3. Mild self-injurious behavior, risk taking, sexual promiscuity
4. Suicidal thoughts
5. Frequent fights at home, school, or community
6. Frequent verbally aggressive outbursts
7. Frequent property damage
8. Inability to engage in age appropriate activities without constant supervision
9. Low to moderate risk for sexually victimizing others
10. Possible involvement with the legal system
11. Infrequent school suspensions

**Group home (Level V).** The behaviors that would qualify a child for this level of care may include:

1. Inability to follow directions and conform to structure of school, home, or community
2. Constant, sometimes violent, arguments with caretakers, peers, siblings, and/or teachers
3. Moderate level of self-injurious behavior, risk taking, sexual promiscuity
4. Suicidal actions/history of serious suicidal actions
5. Almost daily physical altercations in school, home, or community
6. Constant verbally aggressive and provocative language
7. Frequent and severe property damage
8. Probable legal system involvement
9. Frequent school suspensions
10. Moderate to high risk for sexually victimizing others

**Residential Treatment Centers (Level VI).** The behaviors that would qualify a child for this level of care may include:

1. Refusal to follow directions and conform to structure of school, home, or community
2. Constant, and frequently violent, arguments with caretakers, peers, siblings, and/or teachers
3. Severe level of self-injurious behavior, risk taking, sexual promiscuity
4. Frequent suicidal actions/history of multiple, serious suicidal actions
5. Daily physical altercations in school, home, or community
6. Constant verbally aggressive and provocative language
7. Frequent and severe property damage
8. Probable legal system involvement
9. Frequent school suspensions or expulsion
10. High risk for sexually victimizing others
11. May be related to the presence of severe affective, cognitive or developmental delays/disabilities

**Individualized Residential Treatment Centers (IRTS).** There are two types of IRTS placements:

1. Community living residential support: This service is available to those persons who live alone or with roommates in an apartment-like setting based on an individualized staff to client ratio ranging from 1:1 to 1:3. This is a residential service designed to assist the child in gaining and maintaining skills to live as independently as possible and fully participate in a community setting. The type, frequency, and amount of required support in these settings are based on the individual client's needs.
2. Professional parent home: A family home-like setting for a single child with IRTS qualifying needs. This service provides individualized habilitation, supervision, training, and assistance in a DSPD certified private home for no more than one child client at a time. Services provided by IRTS professional parent homes include daily supports to maintain individual health and safety and assistance with activities of daily life.